

University of Montana

ScholarWorks at University of Montana

University of Montana News Releases, 1928,
1956-present

University Relations

6-17-1986

Montana economy will lag behind nation through 1988, UM researchers predict

University of Montana–Missoula. Office of University Relations

Follow this and additional works at: <https://scholarworks.umt.edu/newsreleases>

Let us know how access to this document benefits you.

Recommended Citation

University of Montana–Missoula. Office of University Relations, "Montana economy will lag behind nation through 1988, UM researchers predict" (1986). *University of Montana News Releases, 1928, 1956-present*. 10147.

<https://scholarworks.umt.edu/newsreleases/10147>

This News Article is brought to you for free and open access by the University Relations at ScholarWorks at University of Montana. It has been accepted for inclusion in University of Montana News Releases, 1928, 1956-present by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.



University of Montana

Office of University Relations • Missoula, Montana 59812 • (406) 243-2522

MEDIA RELEASE

June 17, 1986

MONTANA ECONOMY WILL LAG BEHIND NATION THROUGH 1988, UM RESEARCHERS PREDICT

MISSOULA --

Montana's current fiscal crisis is a legacy of years of slow economic growth, according to a University of Montana economist, and new economic forecasts show the years ahead to hold more of the same.

The new forecasts are from the Economics Montana program, cosponsored by the UM Bureau of Business and Economic Research and Mountain Bell.

Paul Polzin, BBER's director of forecasting, said that while "declining interest rates and plummeting oil prices certainly have contributed to lower state revenues," the "major culprit" has been the slow growth of the economy.

Polzin said that since the late 1970s, almost all measures of the Montana economy have lagged behind the corresponding U.S. average.

"Those differences in growth rates have often been small," he said, "but a persistent deficit from year to year, even a small one, can result in a significant gap."

Polzin said Montana's economic growth will continue to lag behind that of the nation overall through 1988. He said that

- more -

overall economic activity as measured by non-farm labor income will increase about 3.4 percent a year in Montana. The corresponding increase for the United States as a whole will be 4 percent a year, he said.

Total personal income, one of the major determinants of retail sales, is also projected to grow more slowly in Montana. Between 1986 and 1988, the increases are forecast to be 2.6 percent a year in Montana, as compared to a national figure of 3 percent a year.

Polzin also warned that although it appears Montana's total personal income will increase significantly in 1986, this may paint a deceptively optimistic picture. He pointed out that the drought of 1984 and 1985 severely depressed Montana's agriculture industry. Therefore, any improvement in farm income this year will show up as large percentage increases over the previous two years.

Other new forecasts show that between 1985 and 1988 about 15,000 new non-farm wage and salary jobs in Montana will be created. Polzin said most of these new jobs will be in the trade and service industries.

#

BBER/csw/vsl
state & weeklies
BBER6-17.rl